

# GROUP UNIVERSAL LIFE INSURANCE

Underwritten by Transamerica Life Insurance Company, Home Office, Cedar Rapids, Iowa.



## Accelerated Death Benefit for Long-Term Care Rider with Extension of Benefits Rider

### Helping You Keep Your Plans.

This rider allows an insured (*not available to children*) to take an advance against the life insurance death benefit to help pay for long-term care.

### Activation of the Accelerated Death Benefit for Long-Term Care Rider

Benefits under this rider can only be triggered by a diagnosis certified by a licensed physician that you are chronically ill. A chronically ill individual means:

- a) being unable to perform, without substantial human assistance, at least two of the six activities of daily living (ADLs)—bathing, continence, dressing, eating, toileting and transferring—for a period of at least 90 days; or
- b) being so cognitively impaired that the insured requires substantial supervision to protect them from threats to their health and safety.

Under the Accelerated Death Benefit for Long-Term Care Rider, the percentage of death benefit available each month is:

MONTHLY AMOUNT	4%	25 MONTHS	confinement in a licensed nursing or assisted living facility	OR
	2%	50 MONTHS	receiving home health care or adult day care	

When benefits are paid under this rider, the face amount, accumulation value, surrender charge and outstanding loan balance, if any, are reduced proportionately to reflect the new death benefit. The balance will be paid to the beneficiary after the death of the insured. Monthly deductions will be waived for each contract month or partial contract month that you receive these rider benefits.

35 year old, non-smoker with \$50,000 of coverage:					OR
MONTHLY AMOUNT	\$2,000	12 MONTHS	reduces the face amount by \$24,000	remaining death benefit: \$26,000	
	\$1,000	12 MONTHS	reduces the face amount by \$12,000	remaining death benefit: \$38,000	

When a claim is filed, an expense charge will be deducted from the first and each subsequent claim payment.<sup>1</sup>

### Extension of Benefits Rider

If the insured's entire face amount under the Accelerated Death Benefit for Long Term Care Rider has been paid and the insured continues to be chronically ill, the Extension of Benefits Rider (EBR) allows an insured to have extended benefits. The face amount will be increased by 4% of the rider face amount. If this increased death benefit is depleted and the insured continues to be chronically ill, the contract is eligible for another 4% increase. Increases will not exceed 100% of the rider face amount as of the contract date at the time of the first accelerated death benefit under the Accelerated Death Benefit for Long-Term Care Rider was paid.

For example, if the insured is still confined in a licensed nursing or assisted living facility after the first 25 months (or home health care or adult day care after the first 50 months), and the death benefit has been depleted, the Extension of Benefits Rider will extend the accelerated death benefit by an amount equal to 4% of the rider face amount on a month-to-month basis (as the insured continues to meet the requirements) for up to an additional 25 months (or home health care or adult day care for an additional 50 months). When the insured depletes all of the death benefit in the additional months, coverage will end.

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<sup>1</sup> Varies by state.

**Paid-up Life Benefit**

In addition, this rider will also provide a paid-up life insurance contract equal to 25% of the original face amount prior to accelerated payments for Long Term Care. In the example above, in addition to receiving the additional benefit of 4% per month, as of the first payment extended under the EBR, the owner receives a paid up life insurance contract of 25% of the pre-accelerated death benefit to be paid to the beneficiary upon death.

**Activating Multiple Accelerated Death Benefits**

The maximum we will pay under any ADB rider (critical care, long-term care or terminal illness) is 100% of the death benefit for any one insured.

35 year old, non-smoker with \$50,000 of coverage:					
MONTHLY AMOUNT	4%	\$2000	3 MONTHS	reduces the face amount by \$6,000	remaining death benefit: \$44,000
	ACTIVATE 50% CCR OR TI RIDERS			reduces the face amount by \$22,000	remaining death benefit: \$22,000

AND

This Rider will terminate on the earliest of the following dates or events:

- 1. The date the cumulative payments of the monthly accelerated death benefit amount equal 100% of the face amount of this rider;
- 2. The date the rider or the contract lapses for failure to pay premiums, subject to the grace period of the contract;
- 3. The date the owner requests termination;
- 4. The date of the insured’s death;
- 5. The date the contract terminates;
- 6. The date a nonforfeiture option under the contract, if any, becomes effective.

**Tax Qualification Notice**

This rider is intended to provide a qualified accelerated death benefit excluded from gross income for Federal Income Tax purposes under the applicable provisions of the Internal Revenue Code in existence at the time this rider is issued. The provisions of this rider and the contract are to be interpreted to ensure or maintain such tax qualification, notwithstanding any other provisions to the contrary. We reserve the right to amend this rider or the contract to reflect any clarifications that may be needed or are appropriate to maintain tax qualification or to conform this rider or the contract to any applicable changes in such tax qualification requirements. We will send you a copy of any amendments and if you refuse such an amendment, it must be by written notice, and may result in adverse tax consequences. Whether any tax liability may be incurred when benefits are paid under this rider may depend on who is insured and how the IRS interprets applicable provisions of the Internal Revenue Code. As with any tax matter, recipients of this benefit should each consult a tax advisor regarding any tax impact of this benefit.

Contact the Medicaid Unit of the local Department of Public Welfare and Social Security Administration Office for more information on how receipt of an accelerated death benefit MAY AFFECT MEDICAID and SUPPLEMENTAL SECURITY INCOME (SSI).

This option must be exercised to affect eligibility for these government programs. Exercising this option before applying for these programs, or while receiving government benefits, may affect eligibility.

This is a brief summary of the Accelerated Death Benefit for Long Term Care with Extension of Benefits. Limitations and exclusions may apply. Refer to the rider and contract certificate for complete information.